

Initial Organizational Conflict of Interest (OCI) Analysis for the Portsmouth Decontamination and  
Decommissioning (D&D) Project Acquisition

The United States Department of Energy (DOE) has conducted an initial Organizational Conflict of Interest (OCI) analysis and advised the United States Enrichment Corporation (USEC) that DOE has made a determination to exclude USEC and any USEC affiliate from participating in the upcoming Portsmouth Gaseous Diffusion Plant (GDP) Decontamination and Decommissioning (D&D) acquisition as a prime contractor.

Specifically, DOE's analysis concluded that USEC could not mitigate an "impaired objectivity" OCI should USEC participate as a prime contractor, due to "conflicting roles that might bias a contractor's judgment" as described at FAR 9.505(a). DOE considered, among other issues, that the prime contractor's work scope will include providing unbiased advice to DOE regarding the following:

- the most advantageous schedule for the return of facilities to DOE by USEC under the GDP Lease executed on July 1, 1993 (the GDP Lease);
- whether USEC has met facility turnover requirements under the GDP Lease;
- potential USEC liability under the GDP Lease;
- whether DOE should provide consent to requests from USEC under the GDP Lease;
- what services are required to support the D&D project, including but not limited to identifying the most cost-efficient service provider, including but not limited to services currently provided by USEC to DOE pursuant to the GDP Lease and/or the Memorandum of Agreement between United States Department of Energy and United States Enrichment Corporation for Supply of Services, Modification No. 1 executed December 7, 2006 (the Services Agreement).

DOE has not, as of this time, determined whether USEC is eligible to participate as a subcontractor on the project, i.e., whether USEC's potential or actual conflicts of interest would be mitigated if USEC were to participate at the subcontractor level. DOE has requested that USEC provide DOE with a detailed mitigation plan within 30 days of the Draft Request for Proposals release date if USEC intends to seek participation as a subcontractor. Should USEC contemplate participating as a subcontractor, DOE will issue a determination as to whether the proposed USEC mitigation plan adequately avoids, neutralizes, or mitigates potential OCIs as soon as possible after receiving the USEC submission in order to inform prospective offerors on USEC's eligibility status as early as possible in the procurement process to allow offerors to make informed decisions regarding potential teaming arrangements. DOE has requested that USEC's mitigation plan address the following:

- USEC's specific proposed D&D subcontract scope of work;
- the mitigation of potential organizational conflicts of interest, including those associated with its facility turnover requirements under the GDP Lease;
- the mitigation of potential organizational conflicts of interest, including those associated with USEC's provision of services to DOE pursuant to the Services Agreement; and
- the mitigation of potential organizational conflicts of interest, including those associated with the potential perceived economic interest of USEC's commercial mission and shared infrastructure with DOE's D&D mission at the Portsmouth site.